

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Malden Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: October 28, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.35% to 7.15% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Malden Retirement System
January 1, 2020 Actuarial Valuation

Total appropriation increases 8.6% per year through FY29, with a final amortization payment in FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2010 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2021	4,592,722	425,000	8,826,048	106,689	13,950,459	103,810,127	
2022	4,799,394	425,000	9,819,115	106,689	15,150,198	101,661,123	8.60%
2023	5,015,367	425,000	11,012,749		16,453,116	98,294,393	8.60%
2024	5,241,058	425,000	12,202,025		17,868,083	93,522,282	8.60%
2025	5,476,906	425,000	13,502,833		19,404,739	87,134,656	8.60%
2026	5,723,367	425,000	14,925,179		21,073,546	78,896,498	8.60%
2027	5,980,918	425,000	16,479,953		22,885,871	68,545,268	8.60%
2028	6,250,060	425,000	18,178,997		24,854,056	55,787,985	8.60%
2029	6,531,312	425,000	20,035,193		26,991,505	40,298,031	8.60%
2030	6,825,221	425,000	21,711,632		28,961,853	21,711,632	7.30%
2031	7,132,356	425,000			7,557,356	0	-73.91%

Appropriation payments assumed to be made July 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$950,000 as of January 1, 2020

FY21 appropriation was maintained at the same level as the current schedule.